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REMARKS

This communication is intended as a full and complete response to the non-final Office Action mailed June 20, 2006. In the Office Action, the Examiner notes that Claims 42, 43, 46-48, 50, 51, 53, 54, 57, 60-64, 74 and 77-79 are pending and rejected. By this response, Applicants have amended claims 42 and 79.

In view of the foregoing amendments and the following discussion, Applicants submit that none of the claims now pending in the application contain subject matter not in the written description under the provisions of 35 U.S.C. §112, ¶1 or obvious under the provisions of 35 U.S.C. §103. Thus, Applicants believe that all of these claims are now in allowable form.

It is to be understood that Applicants, by amending the claims, do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant responsive amendments.

REJECTIONS**35 U.S.C. §112****Claims 42-43, 46-48, 50-51, 53-54, 57, 60-64, 74 and 79**

The Examiner has rejected claims 42-43, 56-48, 50-51, 53-54, 57, 60-64, 74 and 79 under 35 U.S.C. §112, ¶1, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s) at the time the application was filed had possession of the claimed invention. Applicants respectfully traverse the rejection.

35 U.S.C. §112, ¶1 does not require the detailed description to have a word-for-word description of the claimed invention to satisfy the written description requirement. Instead, the requirement is that the application *reasonably conveys* the claimed subject matter. See, *Ex parte Parks*. The originally filed disclosure would have conveyed to one of ordinary skill in the art the concept of using an upgrade card to provide picture-on-picture capabilities.

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Specifically, the detailed specification explicitly states that expansion cards may be designed to accommodate any hardware upgrade compatible with the set top terminal. (See, page 44, lines 22, 24). In the same disclosure, the detailed specification explicitly states that picture-on-picture capabilities are considered to be upgraded hardware components. (See, page 49, lines 13-15). Because the specification as originally filed in the parent application explicitly states that the card could include any upgrades and picture-on-picture is an upgrade in that specification, it is clear for one of ordinary skill in the art reading the specification that Applicants had invented designing upgrade cards to accommodate picture-on-picture capabilities compatible with the set top terminal. In addition, the application clearly conveys and reasonably describes the concept of designing expansion cards in order to accommodate picture-on-picture capabilities compatible with the set top terminal in the sections listed above. Thus, an ordinary person skilled in the art at the time of the invention would conclude that the inventors had possession of the concept of upgrading cards with picture-on-picture capabilities.

Nonetheless, Applicants have amended the claims to better claim the invention of an upgraded set top terminal having upgraded features including a switch coupled to the audio decompressors, wherein the audio decompressors provide one of a plurality of audio signal associated with video signals, wherein the switch operates to select an audio output from one of the audio decompressors.

As such, Applicants submit that claims 42-43, 46-48, 50-51, 53-54, 57, 60-64, 74 and 79 satisfy the requirements of 35 U.S.C. §112 and are patentable thereunder. Therefore, Applicants respectfully request that the Examiner's rejection be withdrawn.

35 U.S.C. §103

Claims 77-78

The Examiner has rejected claims 77-78 under 35 U.S.C. §103(a) as being unpatentable over Arai (of record) in view of Wasilewski (of record) and further in view of Ryu (of record). Applicants respectfully traverse the rejection.

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The test under 35 U.S.C. §103 is not whether an improvement or a use set forth in a patent would have been obvious or non-obvious; rather the test is whether the claimed invention, considered as a whole, would have been obvious. Jones v. Hardy, 110 USPQ 1021, 1024 (Fed. Cir. 1984) (emphasis added). Thus, it is impermissible to focus either on the "gist" or "core" of the invention, Bausch & Lomb, Inc. v. Bames-Hind/Hydrocurve, Inc., 230 USPQ 416, 420 (Fed. Cir. 1986) (emphasis added). Moreover, the invention as a whole is not restricted to the specific subject matter claimed, but also embraces its properties and the problem it solves. In re Wright, 6 USPQ 2d 1959, 1961 (Fed. Cir. 1988) (emphasis added). The combination of Arai, Wasilewski and Ryu fails to teach or suggest Applicant's invention as a whole.

Claims 77 and 78 have the limitations of an apparatus comprising a switch coupled to the audio decompressors, wherein the audio decompressors provide audio signal associated with video signals, wherein the switch operates to select an audio output from one of the audio decompressors and wherein at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal.

Arai discloses a television apparatus with picture-in-picture capabilities. Arai failed to disclose many aspects of the present invention including wherein at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal. Wasilewski discloses multiplexing a plurality of television signals for transmission to a plurality of locations. This reference fails to point out at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal. Ryu discloses selection of sound mode depending on the selected channel. This reference also fails to disclose, teach or suggest the at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal.

Therefore, the combined references fail to teach or suggest Applicant's invention as a whole.

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In response to the Examiner, Examiner is correct in stating claims 77 and 78 do not explicitly claim PIP capabilities on the upgrade card. Applicants respectfully suggest that the references fail to teach or suggest the at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal. Thus, the rejection to claims 77 and 78 are improper. Also, the Examiner missed the limitation regarding the upgrade card in claim 78. Claim 78 recites both an upgrade card and an upgrade port.

Using hindsight, the Examiner stated, without support, that the use of upgrade cards or connection of external devices is notoriously well known. The examiner listed some examples such as memory upgrade, SCSI expansion cards, modem cards, and gaming ports. These upgrades listed are not the upgrade of the present invention. None of the upgrades listed teaches or suggest "at least one of the tuners and at least one of the audio decompressors are located on an upgrade card inserted into an existing set top terminal." Moreover, the Examiner then improperly used the advantage of the present invention as stated in the specification of the present invention of "prolong the usable life of a device and provide flexibility of use" as the motivation to combine the prior art. This is the textbook definition of improper hindsight combination.

The Examiner also stated in his rejection that "it would have been an obvious design choice to utilize an upgrade card, since the modification would have involved a mere separation of functions/parts." This rejection is confusing because "a separation of parts" is not a reason for "an obvious design choice" rejection. These two kinds of obviousness rejections are distinct and unrelated. Applicants will respond to them separately.

If the upgrade card were mere ornamental design, then it would not be patentable in a utility patent. However, the upgrade card is not for ornamental design. It serves an important function on existing set-top terminals. It prolongs the usable life of the set-top terminal as well as gives it flexibility of use (see specification page 43, lines 23-25). None of any mentioned advantages are even taught or suggested in the prior art. There is no motivation in any of the references to modify the prior art to include the claimed upgrade card. MPEP 2144.04, see *In re Dembiczak*, 175 F.3d 994,

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50 USPQ2d 1614 (Fed. Cir. 1999) (The claims of a utility application, drawn to a generally round, orange plastic trash bag with a jack-o-lantern face, were rejected under 35 U.S.C. § 103. However, the court reversed the rejection for lack of motivation to combine conventional trash bags with a reference showing a jack-o-lantern face on an orange paper bag stuffed with newspapers.); *Ex parte Hilton*, 148 USPQ 356 (Bd. App. 1965) (Claims were directed to fried potato chips with a specified moisture and fat content, whereas the prior art was directed to french fries having a higher moisture content. While recognizing that in some cases the particular shape of a product is of no patentable significance, the Board held in this case the shape (chips) is important because it results in a product which is distinct from the reference product (french fries)). Because the putting components on the upgrade card are not a design choice, it would not have been obvious to include the components such as the tuner on an upgrade card as claimed.

In addition, the Examiner incorrectly characterized the upgrade card as a mere separation of functions/parts. Applicants did not merely rearrange the parts. Applicants have invented a new mode of operation, by means of which a new result is obtained. See *Winans v. Denmead*, 56 U.S. 330, 341 (1853). The insertable upgrade cards allows for many new advantages which did not exist and were not taught or suggested in the prior art references. These insertable cards prolong the usable life of the set-top terminal as well as give them flexibility of use (see, specification page 43, lines 23-25). Because these upgrade cards are part of a new mode of operation with many new advantages that were not taught or suggested by the references, it is not obvious modification. Moreover, there is no motivation to modify the prior art to include this new mode of operation. Because the claimed components on an upgrade card are not a mere separation of functions/parts, it would not have been obvious to include the components on an upgrade card as claimed.

Thus, the Examiner incorrectly determined that the upgrade card is a mere design choice and the modification of the location of parts would have been obvious to an ordinary person skilled in the art.

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Therefore, because not all the limitations of claims 77 and 78 are disclosed, taught or suggested, the claims are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. For at least the above reasons, Applicants submit that independent claims 77 and 78 are not obvious and fully satisfy the requirements of 35 U.S.C. § 103 and are patentable thereunder. Therefore, Applicants respectfully request that the rejection be withdrawn.

CONCLUSION

Thus, Applicants submit that claims 42, 43, 46-48, 50, 51, 53, 54, 57, 60-64, 74 and 77-79 are in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: 8/30/06

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